

TERMS OF REFERENCE REMUNERATION COMMITTEE

1. MEMBERSHIP

The Committee shall comprise a minimum of 3 Corporation Members. The Group Principal / CEO, staff and student members are ineligible for membership. The Chair of the Corporation will be a member of the Committee. The membership is subject to the approval by the Corporation.

2. TERM OF APPOINTMENT

The members will serve on the Committee for the same period as their terms of office.

3. CHAIR

The Chair of the Committee shall be appointed by the Corporation. A Vice-Chair of the Committee will be agreed annually at the first meeting of the Committee.

4. DUTIES

The Committee shall consider and advise the Corporation on the remuneration, appraisal, and other terms and conditions of Senior Postholders including the Head of Governance. In carrying out its duties the committee shall:

- 1) ensure that arrangements are in place for setting and reviewing objectives and performance targets for the Group Principal / CEO, Senior Postholders and Head of Governance at the commencement of each period of remuneration, and determine the extent to which they have been achieved at the end of the period;
- 2) ensure that appropriate appraisal mechanisms are in place and have regard to annual appraisals;
- 3) review the pay of Senior Postholders and the Head of Governance annually and regularly evaluate the specific remuneration packages of the Group Principal / CEO and other Senior Postholders against:
 - performance compared with pre-established criteria
 - an appropriate peer group
- 4) ensure that Senior Postholders are fairly rewarded for their individual contributions to the College's overall performance by considering the following component elements:-
 - basic salary
 - benefits in kind
 - annual bonus/performance related elements
 - pension provisions
 - the main terms and conditions in each senior postholder's service agreement, with particular reference to the notice provisions;
- 5) demonstrate to the public that the pay of Senior Postholders is recommended by a committee which has no personal interest in the outcome of its decisions and which gives due regard to the interest of the public and financial health of the College;
- 6) advise the Corporation on any compensation (including the augmentation of pension benefits) which may be payable in the event of the early termination of the employment of the Group Principal / CEO or any other Senior Postholder with the broad aim of:
 - avoiding rewarding poor performance; and
 - dealing fairly with cases where early termination is not due to poor performance;

- 7) make such enquiries as it thinks fit and have regard, inter alia, to the Instruments and Articles of Government and such other relevant guidance as is available from time to time;
- 8) review on a continuing basis the Corporation's policy in relation to the remuneration of the Group Principal / CEO and other Senior Postholders and the Head of Governance and shall make such policy publicly available.

5. ATTENDANCE AT MEETINGS

- 5.1 The Group Principal / CEO may be invited to attend meetings of the Committee save where his/her remuneration package is being considered. The Committee may invite other Senior Postholders to attend meetings when necessary.
- 5.2 The Committee may invite the Corporation's advisers or other third parties to attend meetings of the Committee as appropriate (such persons shall not have a vote but shall be entitled to speak at the meetings).
- 5.3 Other Corporation Members shall also have a right of attendance save that the Committee may exclude staff and student members and any other Corporation Members who are employees of the College.

6. EXTERNAL ADVICE

The Committee may seek the services of such external advisors as they feel necessary to fulfil their responsibilities.

7. QUORUM

The quorum for meetings of the Committee shall be two Members.

8. FREQUENCY OF MEETINGS

The Remuneration Committee is to meet as directed by the Corporation or by the Committee Chair.

9. RECORDS OF MEETINGS

The Committee shall make arrangements for every meeting to be minuted, including a record of decisions.

10. PROCEDURAL RULES

The procedural rules of the Committee will be those which govern the proceedings of the Corporation and its Committees.

11. REPORTING PROCEDURES

- 11.1 The minutes of the meeting shall be circulated to Corporation Members except for staff and student members. The minutes shall set out all recommendations put forward by the Committee for consideration and approval by the Corporation.
- 11.2 The Committee shall produce an Annual Report for the Corporation. The contents of the report will comply with any Code relating to Senior Staff Remuneration adopted by the Corporation.

12. AUTHORITY

The Committee is authorised by the Corporation to investigate any activity within its Terms of Reference, as set out in paragraph 4 of this document. It is authorised to seek any information it requires from any employees of the College and all employees of the College are directed to co-operate with any requests made by the Committee.

November 2018

Next review November 2019